

## Message Text

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PAGE 01 PARIS 29838 081714Z  
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AGRE-00 ITC-01 COME-00 STR-07  
MMO-01 TRSE-00 IO-13 CIAE-00 DODE-00 PM-05 H-01  
INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15  
ICA-11 OIC-02 /098 W  
-----019584 081912Z /41

P R 081652Z SEP 78  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC PRIORITY 7119  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY LONDON  
AMEMBASSY ROME  
AMEMBASSY THE HAGUE

C O N F I D E N T I A L PARIS 29838

E.O. 11652: GDS  
TAGS: ETRD EAGR ECON FR  
SUBJECT: INTERNATIONAL COFFEE AGREEMENT

REF: STATE 223845

1. EMBASSY TRANSMITTED USG POSITION INCLUDED REFTEL  
TO M. GALLOT-LEGRAND, TROPICAL PRODUCT EXPERT IN DREE  
(DIRECTION DES RELATIONS ECONOMIQUES EXTERIEURES)  
FOLLOWING HIS RETURN FROM BRUSSELS COORDINATING MEETING.  
GALLOT-LEGRAND WILL REPRESENT FRANCE DURING FIRST WEEK  
OF LONDON MEETING.

2. GALLOT-LEGRAND INDICATED HE WAS ALREADY AWARE OF  
USG POSITION THROUGH HIS CONTACTS WITH U.S. COFFEE  
TRADE. HE SAID GOF FAVORED LIMITING LONDON DISCUSSIONS  
TO REVISION OF TRIGGER PRICE UNDER ARTICLE 33. HE  
AGREED WITH USG POSITION THAT PRESENT PRODUCER PRICE  
AMBITIONS WERE UNREASONABLE AND BASED ON ERRONEOUS  
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BRAZILIAN ESTIMATE THAT RECENT FROST MIGHT CUT  
BRAZILIAN PRODUCTION BY 8 MILLION BAGS. HE FELT THAT  
NO DEFINITE JUDGMENT ON BRAZILIAN PRODUCTION COULD BE  
MADE UNTIL NOVEMBER AND THAT MAXIMUM POSSIBLE RE-  
DUCTION WOULD BE 4 MILLION BAGS. GOF FELT THAT  
ANY DISCUSSION OF PRICES UNDER ARTICLE 38 LIKELY TO BE  
UNSUCCESSFUL UNDER PRESENT CIRCUMSTANCES.

3. WITH REGARD TO PRICE REVISIONS UNDER ARTICLE 33, GALLOT-LEGRAND SAID HE AUTHORIZED BY HIS MINISTER TO GO AS HIGH AS \$ 1.40 BUT HOPED AGREEMENT AT A LOWER FIGURE COULD BE NEGOTIATED. IN THIS REGARD, HE SAID UK DESIRE TO MAKE INITIAL OFFER OF ONLY 90 CENTS WOULD CONSTITUTE BAD NEGOTIATING TACTIC SINCE PRODUCERS, WHO SEEK \$ 2.00, WOULD QUESTION SERIOUSNESS OF CONSUMER WILLINGNESS TO NEGOTIATE. HE FELT INITIAL CONSUMER OFFER MUST BE AT LEAST \$ 1.00.

4. GALLOT-LEGRAND CONCLUDED THAT NO COMMON POSITION WAS ACHIEVED AT BRUSSELS BUT THERE WAS MAJORITY SUPPORT FOR LIMITING LONDON DISCUSSIONS TO PRICE REVISIONS UNDER ARTICLE 33.  
HARTMAN

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NNN

## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COFFEE, AGREEMENT, AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 sep 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978PARIS29838  
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**Document Unique ID:** 00  
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**Executive Order:** GS  
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**Expiration:**  
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**Review Content Flags:**  
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**Review Event:**  
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**SAS ID:** 1503565  
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**Subject:** INTERNATIONAL COFFEE AGREEMENT  
**TAGS:** ETRD, EAGR, ECON, FR  
**To:** STATE  
**Type:** TE  
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